

PRINTING AND ENGRAVING BUREAU.

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## TESTIMONY

TAKEN BEFORE THE

# COMMITTEE ON EXPENDITURES

OF THE

TREASURY DEPARTMENT.

FIRST SESSION FORTY-FOURTH CONGRESS.

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WASHINGTON:

GOVERNMENT PRINTING OFFICE.  
1876.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This section also outlines the procedures for reconciling accounts and identifying any discrepancies that may arise.

In the second part, the focus shifts to the analysis of the recorded data. The document provides a detailed breakdown of the various categories of expenses and revenues, allowing for a comprehensive understanding of the organization's financial performance. It also includes a comparison of the current period's results with those of the previous year, highlighting areas of growth and potential concerns.

The third part of the document addresses the future outlook and the steps that need to be taken to improve financial management. It suggests implementing more robust internal controls and regular audits to prevent errors and fraud. Additionally, it recommends the use of modern accounting software to streamline the recording and reporting process, thereby increasing efficiency and accuracy.

Overall, the document serves as a valuable guide for anyone responsible for managing the finances of an organization. It provides a clear framework for understanding the flow of money and offers practical advice on how to maintain and improve financial health over time.

## TESTIMONY.

WASHINGTON, D. C., March 22, 1876.

THOMAS J. HOBBS sworn and examined.

By the CHAIRMAN :

Question. Where do you reside?—Answer. In Washington.

Q. Are you engaged in the Treasury Department?—A. I am disbursing-clerk of the Treasury Department.

Q. About how long have you occupied that position?—A. Ten or eleven years.

By Mr. BRIGHT :

Q. Were you acquainted with Mr. George B. McCartee, Superintendent of the Printing Bureau of the Treasury Department?—A. Yes, sir.

Q. Were you acquainted with Mr. Richard Spofford?—A. I know a Richard Spofford.

Q. Has he any connection or did he have any connection with the Treasury Department or with the Printing and Engraving Bureau?—A. I have paid bills for services of his.

Q. The question is whether he had any connection with the Bureau of Printing and Engraving?—A. I do not know whether he did or not. I would not know except in so far as it would be shown by the bills for his services.

By the CHAIRMAN :

Q. Then you paid him for services rendered?—A. Yes, sir.

Q. In what branch of the Department?—A. I do not know that. They were for services rendered somewhere in the bureau.

By Mr. BRIGHT :

Q. You say that you made disbursements to him ; have you anything that will show the amount of the disbursements and whether they were per day or per month, or whether they were made irregularly?—A. My recollection is they were so much a day.

Q. What amount per day?—A. I think \$10.

Q. For what services were these payments made or what services were they purported to have been made for?—A. I do not know ; the voucher would not indicate it. I would not know anything about it.

Q. Was he paid upon voucher or upon the pay-roll?—A. Upon voucher.

Q. Do you know whether his name ever appeared upon the pay-rolls of that Department?—A. I do not think it ever did.

Q. Were the pay-rolls subject to your inspection?—A. Yes, sir.

Q. If his name had been upon the pay-rolls would you have discovered it?—A. Probably. It might have escaped my notice.

Q. It is your best recollection that it did not appear. You do not remember ever to have seen it upon the pay-roll?—A. No, sir.

Q. Did you, as the disbursing-officer of the Department, make payments to any other persons than Mr. Spofford ; did you pay any other persons upon voucher besides Mr. Spofford ; and, if so, whom?—A. Yes, sir ; it is customary to pay several people.

Q. I do not ask you about the custom ; answer the question. If you have made payments to others upon vouchers, state to whom the payments were made and the amounts that you paid.—A. I could not answer the question accurately ; I could state the names of some whom I have been accustomed to pay on vouchers whose names are not on the pay-rolls ; I would have to give the amount paid as near as I could recollect it.

Q. State the names and the amounts as near as you can recollect it.—A. I paid a man named R. T. Morsell. The regular force of detectives would be paid on separate vouchers and not on the pay-roll.

Q. State who they were.—A. Mr. Thomas Cavanaugh ; Mr. Donn is another ; also a person by the name of John Mettle ; sometimes persons are paid upon vouchers who are apparently only employed temporarily and for a short space of time. Instances that would perhaps occur during the year would escape my recollection. I think I have paid a man named Rockafellow ; I formerly paid a man by the name of John Sargent ; I think he is now on the regular police force of the city—a detective here ; that was several years ago. I do not recall the names of any others.

Q. Were these paid upon vouchers approved by Mr. McCartee?—A. Yes, sir.

Q. What sums were generally paid upon voucher and what upon the pay-roll which had

to be audited; was there any rule on the subject in the Department?—A. All the disbursements for that bureau are paid upon the approval of the chief of that bureau, so far as I know. Those were the instructions under which I disbursed the funds for that bureau: to pay vouchers on the approval of Mr. McCartee, or the chief of the bureau, whoever he might be, and if he was absent the acting chief might approve.

Q. Do you remember the amount you paid to the different individuals upon vouchers as you have stated; if so, state the amounts, whether they were paid per day, per week, or per month, as the case may be.—A. They were always paid by the day; it was a per diem so far as I recollect. There are only two or three cases in the bureau where the pay is by the month.

Q. You paid these parties of whom you have been speaking by the day?—A. Yes, sir; Mr. McCartee himself is paid an annual salary.

Q. What amount did you pay them per day?—A. I think Morsell was paid \$3 a day; Mr. Donn, I think, was paid about \$6 a day; and Mr. Cavanaugh \$5 or \$6 a day; Mettle, I think, was paid \$2 a day.

Q. Did you have all these payments entered in your books which you kept in the Department?—A. Yes, sir.

Q. Which of those parties belonged to the detective force there?—A. Mr. Cavanaugh is a detective officer, and Mr. Donn also.

Q. Were you acquainted with a Mrs. Root, the widow of a former chief clerk of that bureau?—A. Yes, sir; I only know her by sight. I do not know that I ever spoke to her.

Q. Do you know whether she was ever employed in the Department as one of the Department officials?—A. Yes, sir; she was.

Q. For any length of time?—A. I could not give any definite answer to that question; it would be only an impression.

Q. Give us your best recollection on the subject.—A. I think for a couple of years, as near as I can recollect it.

Q. Do you know what salary was paid her or did you pay her a salary, or was it upon a voucher, or was her name upon the pay-rolls?—A. She was paid on a voucher. I think she was paid about \$3 a day.

Q. Do you remember whether she was employed in the Treasury Department or whether she did her work out of it?—A. As far as I have any personal knowledge of it, I do not know whether she was in the office or not.

Q. Did you see her employed in the Treasury Department during the two years of which you have spoken?—A. No, sir.

Q. Did she reside in the city; and if so, at what place in the city?—A. I cannot say; I do not know where she resided.

Q. You say that she was employed; in what manner was she employed in the Department?—A. I do not know.

Q. Do you know as a matter of fact that she did render service for the Department?—A. No, sir.

Q. When you speak of her being employed, you speak upon information and not from personal knowledge?—A. I do. I said that she was employed because I paid her for services, and I supposed of course the services were rendered. That was an inference of mine, which perhaps ought not to have been drawn.

Q. You inferred that she had rendered the service because you had paid for the service?—A. Yes, sir; that was the presumption.

Q. Did you know a Miss McIntire, a sister of Mrs. Root?—A. Yes, sir.

Q. Do you know whether she was employed in the bureau or not?—A. She is employed in the bureau.

Q. Is she employed at this time?—A. So far as I know, she is.

Q. Was she paid upon voucher or upon the pay-roll?—A. On pay-roll.

Q. Do you know an attorney named McIntire in this city or anywhere else?—A. I know a McIntire who is a patent-attorney.

Q. State whether you know of his furnishing any money for the purpose of securing the use of a patent sizing which is used in the Department; and, if so, from whom did he derive the money, if you know.—A. I do not know that I understand the question.

Q. Do you know of Mr. McCartee furnishing Mr. McIntire, the patent-agent, with money to be expended in securing the use of that patent sizing in the Department?—A. No, sir.

Q. Do you know nothing on that subject, of the use of money to secure the use of that patent sizing for the Department?—A. No, sir.

Q. Are you acquainted with Mr. H. C. Jewell?—A. Yes, sir.

Q. Is he successor of Mr. McCartee as the superintendent?—A. Yes, sir; he is the present chief of the bureau.

Q. Are you acquainted with the character of Mr. Jewell?—A. I have been acquainted with Mr. Jewell for the past six or eight years.

Q. That is not the question. I ask you if you are acquainted with his character; and, if so, is it good or bad as to his integrity?—A. I should think it was good, as far as I know.



Q. You have never heard his integrity called in question?—A. By his integrity I suppose you mean his honesty—whether he is an honest man. I don't know that I have heard that called in question.

Q. Can you furnish the committee a statement from the books in relation to these payments upon vouchers of which you have spoken?—A. That can be done.

Q. Can you state the amount without recurring to the books—I mean the gross amount paid to each one?—A. I cannot.

The CHAIRMAN. I do not entirely comprehend this method of payment. You say that you pay a portion of the employes on regular pay-rolls and some others on vouchers from McCartee. That is, these were special orders each month or week from Mr. McCartee. In the first place you pay the general employes, or the great mass, on regular pay-rolls, as in other Departments?—A. Yes, sir.

Q. In addition to that, what is the process of paying people?—A. We have blanks which read, "Received from Thomas J. Hobbs, disbursing-clerk, Treasury Department, \_\_\_\_\_ dollars, for services from \_\_\_\_\_," at such a rate; that is a receipt signed, and is approved.

Q. Why do you pay in that manner? Before you pay of course you receive some authorization to pay?—A. I have the general authorization from the Secretary of the Treasury—the general direction to pay all the expenses of the bureau on the approval of the chief of the bureau.

Q. Then a person comes to you with a direction from McCartee, or does he give you that direction to pay?—A. The bill is made out and approved in his office by him, and it is brought to me for payment.

Q. With the name appended to it?—A. His name, or rather his initials, are written on the face of it.

Q. And on that you pay the money and take this receipt?—A. That receipt is my voucher.

Q. Are there any other parties there who pay any money to employes of the Department, or are you paymaster for the whole Department?—A. Not the whole Department. I am the disbursing-officer for the Printing and Engraving Bureau.

Q. Then all the employes of Mr. Cartee's bureau are paid through you?—A. I presume so.

Q. This system of paying by vouchers, in addition to the pay-roll, has been customary there, has it, during the whole term of your employment, for the last eleven years?—A. Yes, sir.

Q. Then you have no knowledge of the services rendered, except this certificate from the chief of the bureau which is brought to you?—A. That is all.

Q. Do you also pay bills for supplies in the same way?—A. All of them, I presume.

Q. They come to you in the same way?—A. Yes, sir; not for supplies. The vouchers for supplies are made out like an ordinary commercial bill: A B to C D, Dr., or bought of, so much, and then receipted. That bill is approved on the face of it, and I pay it either in money or by a check.

By Mr. WILLIAMS:

Q. Whom do you pay that bill to?—A. To the parties, usually. Sometimes, when it is convenient, it is paid to a messenger from Mr. Cartee's office; but the transmittal of all checks is done by the clerks in his office. They perform all the correspondence in remitting the checks and transmitting them through the mails. That is for their own convenience, and also to insure the prompt transmittal of the checks and payment of bills, and to relieve the disbursing-clerk of the labor, which could not be performed without a corps of perhaps twenty clerks in his office.

Q. Who draws these checks?—A. I draw them, as the disbursing-clerk, against deposits to my credit either in the Treasury of the United States or in the subtreasury at New York.

Q. Is that governed by any rule as to whether you draw on New York or Washington?—A. No; the account is kept in the subtreasury in New York for the convenience of the merchants and manufacturers and those who furnish the supplies.

Q. Then, bills from New York you pay in drafts on New York?—A. We pay bills all over the United States with New York drafts.

Q. And bills here in Washington are also paid in that way?—A. Not unless a gentleman should specially request New York funds. In that case I would give him a New York check instead of a Washington check.

Q. Do I understand you that your payments are made in checks from your Department; do you pay directly in checks?—A. No, sir; not all.

By the CHAIRMAN:

Q. I understand you to say that you pay the employes usually in money?—A. Yes, sir; and the supplies and other large disbursements were paid for in checks; if the payment had to be made at a distance, of course it had to be done in check instead of by money; but the local manufacturers or merchants here who furnish supplies we pay according to their convenience. If they prefer currency we give it to them, or if they prefer a check we give it to them. In the case of a large amount we always write a check.

By Mr. WILLIAMS:

Q. You say that you never have seen Mrs. Root employed in the Department, as I understand you. Have you any personal knowledge of other individuals who work in the De-

partment?—A. I could not have a personal knowledge of all of them. I would know generally. I understand that generally all who are borne on the pay-rolls are there in the office.

Q. That is not what I mean; I understood you to state, in reply to Judge Bright, that you had never seen Mrs. Root at work in the Department. I desire to know if it would have been within your duty to have probably seen her if she was there at work, or if you would have been likely to have seen her?—A. Not necessarily.

Q. Is there any rule that regulates this voucher system; any theory upon which it is issued, so far as you know?—A. It is a matter of convenience, I suppose, entirely.

Q. Why are not these names carried upon the pay-roll?—A. That I cannot answer.

Q. You know of no rule that would prevent their names being carried on the pay-roll?—A. No, sir; I think it is a matter of convenience only.

Q. What convenience is there in paying upon vouchers other than there would be by payment on the rolls?—A. A person whose duty took him or her away from the building or outside would not be present when the rolls were made out to sign them or to receive their pay. Their duties might take them away from the building entirely. To them it would be more convenient when they come there to have a voucher made out for their service and have them paid on that special voucher.

Q. Was that the case with Mr. Spofford?—A. I could not answer that positively; it would only be a matter of supposition.

The CHAIRMAN. I suppose that those who are on the regular pay-roll come up every month?—A. Yes, sir; they come every month and sign on the pay-roll; they are supposed to be in the office and sign there.

Q. Therefore their names appear on the pay-roll regularly every month?—A. Yes, sir.

Q. In these cases alluded to by the members of the committee, of Spofford and Mrs. Root, they were paid regularly, I suppose; you say they were there for a somewhat protracted period. Were they paid regularly at the end of each month the same as the other employes?—A. I think Mrs. Root was regularly paid at the end of the month always.

Q. Then there was no reason why they should not have signed the pay-rolls as well as to have signed vouchers each month?—A. Well, I don't know anything about it.

Q. They came there, I suppose, every month. You paid the money to them in person?—A. Not always. Not necessarily.

Q. You did it generally. That was the usual custom, was it not?—A. Yes, sir; that was the usual custom.

Q. And you took their receipts on these vouchers as your protection?—A. Yes, sir; if the vouchers were made and signed and approved, and the regular messenger of the office came to my room with the voucher and requested the money to take it back to the office, I should hand him the money and let him take it back.

Q. What is your recollection as to whether that occurred; that Mrs. Root came in to you and received the money from your own hands, or did you send it by the messenger?—A. I don't think I ever paid her personally.

Q. How as to the case of Mr. Spofford?—A. Nor Spofford either.

By Mr. BRIGHT:

Q. I did not understand you exactly as to your explanation of the reasons given why Mrs. Root was not paid upon the pay-roll. I understood you to say that it might be the case that when they worked out it was a matter of convenience not to pay them in that way, but to pay them upon vouchers; did I understand you correctly?—A. Yes, sir; I don't know that I had any right to say what I supposed about it, but that was my idea.

Q. Explain a little more fully the reason that you gave in answer to a prior question asked you as to that matter.—A. I think the question was why they were not all paid on the pay-rolls alike—why there were a few people who were not paid on the pay-rolls, and I stated that I suppose it was a matter of convenience. Then the question was asked how it could be more convenient to pay them upon the separate receipts or vouchers than upon the pay-roll, and I said I supposed it was because their duties might take them away from the building, and they might not be there at the time the pay-rolls were made out and signed and paid off, and it would be more convenient to have them paid on these separate receipts.

Q. You meant by that that it was simply a supposition of your own and not a fact?—A. It is not a fact that I know.

(The witness was here directed to produce transcript of the accounts of the parties referred to in his examination.)

The WITNESS. I don't have the transcripts. These vouchers go into my accounts as they are rendered monthly to the accounting-officers of the Treasury, and they become then a part of the files of the Department. I only enter the names and amounts on my books, stating the number of the voucher, in whose name, what for, and the amount; the vouchers, however, are not transcribed.

(Witness directed to furnish transcript from the books as to the amounts paid by him upon vouchers.)

By the CHAIRMAN:

Q. All the bills for supplies are paid by you?—A. I understand that they are.

Adjourned.

WASHINGTON, March 23, 1876.

Continuation of testimony of THOMAS J. HOBBS.

By Mr. BRIGHT, (in the chair :)

Question. I will ask you whether you have copies of the accounts of Mrs. Root and others, which you were requested yesterday to produce.—Answer. I have no copies in my possession; I have only the entries on my books of the amounts paid, and the months in which they were paid. [Witness produces a paper.] The parties whose names were mentioned yesterday were Mr. Sargent and Mr. Mettle. It is barely possible that there may have been some payments prior to 1870 to Sargent or Mettle. I did not have time to go back of 1870. The names were Sargent, Mettle, Morsell, Root, Mr. Cavanaugh, Mr. Donn, and Mr. Spofford.

Q. You submit this paper as containing the amounts that were paid to these different parties upon vouchers that were presented to you?—A. Yes, sir; these were paid upon vouchers that were approved by the head of the bureau; they were paid by me, and I have received credit for them in my disbursement.

Q. You submit this in answer to the questions propounded to you yesterday in regard to payments made to persons in Mr. McCartee's Bureau of Engraving and Printing?—A. Yes, sir.

Q. You make it a part of your testimony?—A. Yes, sir. It may be that in looking hurriedly over my account-book for six years, I have omitted a payment, perhaps, sometimes, but I tried to be as careful as I could to get them all correct.

The following is the statement referred to by the witness:

| Month and year. | J. S. Sargent. | John Mettle. | R. T. Morsell. |
|-----------------|----------------|--------------|----------------|
| 1870.           |                |              |                |
| April .....     | \$145 05       | \$52 00      | .....          |
| May .....       | 149 90         | 52 00        | .....          |
| June .....      | 145 05         | 52 00        | .....          |
| July .....      | 148 26         | 52 00        | .....          |
| August.....     | 151 65         | .....        | .....          |
| September.....  | 146 72         | .....        | .....          |
| October.....    | 151 65         | .....        | .....          |
| November.....   | 146 70         | .....        | .....          |
| December.....   | 151 65         | .....        | .....          |
| 1871.           |                |              |                |
| January.....    | 180 00         | 35 00        | .....          |
| February.....   | 165 00         | .....        | .....          |
| March.....      | 180 00         | .....        | .....          |
| April.....      | 25 00          | .....        | .....          |
| May.....        | 178 50         | .....        | .....          |
| June.....       | 173 35         | .....        | .....          |
| July.....       | 176 65         | .....        | .....          |
| August.....     | 175 00         | .....        | .....          |
| September.....  | 175 00         | .....        | .....          |
| October.....    | 175 00         | .....        | .....          |
| November.....   | 175 00         | .....        | .....          |
| December.....   | 175 00         | .....        | .....          |
| 1872.           |                |              |                |
| January.....    | 186 00         | .....        | .....          |
| February.....   | 174 00         | .....        | .....          |
| March.....      | 246 00         | .....        | .....          |
| April.....      | 180 00         | .....        | \$78 00        |

## Statement—Continued.

| Month and year. | Sargent.             | Mettle.            | Morsell.           | Z. Root. | J. Y. Donn. | Th. Cavanaugh. |
|-----------------|----------------------|--------------------|--------------------|----------|-------------|----------------|
| 1872.           |                      |                    |                    |          |             |                |
| May .....       | \$186 00             | -----              | \$81 00            | -----    | -----       | -----          |
| June .....      | 180 00               | -----              | 75 00              | -----    | -----       | -----          |
| July .....      | 186 00               | -----              | -----              | -----    | -----       | -----          |
| August .....    | 186 00               | -----              | 81 00              | -----    | -----       | -----          |
| September ..... | 180 00               | -----              | 81 00              | -----    | -----       | -----          |
| October .....   | 186 00               | -----              | 75 00              | -----    | -----       | -----          |
| November .....  | 180 00               | \$54 00            | 81 00              | -----    | -----       | -----          |
| December .....  | 186 00               | -----              | { 78 00<br>78 00   | -----    | -----       | -----          |
| 1873.           |                      |                    |                    |          |             |                |
| January .....   | { 496 40<br>210 00 } | { 52 00            | 81 00              | -----    | -----       | -----          |
| February .....  | -----                | 56 00              | 72 00              | -----    | -----       | -----          |
| March .....     | 300 00               | 52 00              | 78 00              | -----    | -----       | -----          |
| April .....     | 50 00                | 52 00              | 78 00              | \$36 00  | -----       | \$120 00       |
| May .....       | 100 00               | 54 00              | 81 00              | 81 00    | -----       | 155 00         |
| June .....      | 50 00                | 56 00              | 75 00              | 75 00    | -----       | 150 00         |
| July .....      | 100 00               | 54 00              | 81 00              | 81 00    | \$124 00    | 155 00         |
| August .....    | 50 00                | 52 00              | 78 00              | 78 00    | 124 00      | 155 00         |
| September ..... | 50 00                | 52 00              | 78 00              | 78 00    | 120 00      | 150 00         |
| October .....   | 50 00                | 54 00              | 81 00              | 81 00    | 124 00      | 205 00         |
| November .....  | -----                | 50 00              | 75 00              | 75 00    | 120 00      | 150 00         |
| December .....  | 50 00                | { 20 00<br>20 00 } | { 81 00            | 81 00    | 124 00      | 155 00         |
| 1874.           |                      |                    |                    |          |             |                |
| January .....   | -----                | -----              | 81 00              | 81 00    | 155 00      | 155 00         |
| February .....  | -----                | -----              | 81 00              | 72 00    | 140 00      | 140 00         |
| March .....     | -----                | { 20 00<br>20 00 } | { 72 00            | 78 00    | 155 00      | -----          |
| April .....     | -----                | -----              | -----              | 78 00    | 150 00      | 155 00         |
| May .....       | 100 00               | { 20 00<br>20 00 } | { -----            | 78 00    | 155 00      | -----          |
| June .....      | -----                | 52 00              | -----              | 78 00    | 150 00      | 500 00         |
| July .....      | 85 00                | 54 00              | { 78 00<br>78 00 } | -----    | 155 00      | 201 50         |
| August .....    | -----                | -----              | -----              | -----    | 155 00      | 201 50         |

Statement—Continued.

| Month and year. | Sargent.               | Mettle.            | Morsell.           | Donn.      | Cavanaugh.                     | Spofford.            |
|-----------------|------------------------|--------------------|--------------------|------------|--------------------------------|----------------------|
| 1874.           |                        |                    |                    |            |                                |                      |
| September ..... |                        | \$25 00            | \$78 00            | \$150 00   | \$150 00                       | .....                |
| October .....   |                        | { 20 00 }<br>20 00 | { 78 00 }<br>75 00 | 186 00     | 155 00                         | .....                |
| November .....  |                        |                    | 81 00              | 186 00     |                                | .....                |
| December .....  |                        |                    |                    |            |                                | .....                |
| 1875.           |                        |                    |                    |            |                                |                      |
| January .....   |                        | 20 00              | 81 00              | 186 00     | 460 00                         | .....                |
| February .....  |                        |                    | 72 00              | 168 00     |                                | .....                |
| March .....     |                        | 48 00              | { 78 00 }<br>81 00 | { 186 00 } |                                | .....                |
| April .....     |                        | { 20 00 }<br>20 00 | { 78 00 }          | 180 00     | { 150 00 }<br>140 00<br>155 00 | .....                |
| May .....       |                        |                    | 78 00              | 186 00     | 155 00                         | .....                |
| June .....      |                        | 20 00              | 78 00              | 180 00     | 150 00                         | .....                |
| July .....      |                        | 20 00              |                    | 186 00     |                                | \$520 00             |
| August .....    |                        | { 20 00 }<br>20 00 | { 78 00 }<br>81 00 | { 186 00 } |                                | { 260 00 }<br>270 00 |
| September ..... |                        |                    |                    | 180 00     |                                | 260 00               |
| October .....   | { \$100 00 }<br>110 00 | 20 00<br>20 00     | { 78 00 }          |            | 155 00                         | 260 00               |
| November .....  |                        |                    | 78 00              |            | 150 00                         | .....                |
| December .....  |                        | { 20 00 }<br>20 00 | { 81 00 }          | 186 00     | 155 00                         | 260 00               |
| 1876.           |                        |                    |                    |            |                                |                      |
| January .....   |                        |                    | 78 00              | 186 00     | 155 00                         | 270 00               |
| February .....  |                        | 20 00              | 75 00              | 186 00     | 130 00                         | 260 00               |

Q. In addition to that I will ask you whether you paid any other persons besides those upon the vouchers?—A. O, yes; a great many. I find, for instance, all the women who did washing for the bureau. There were several of those who would have to be paid upon a separate account or voucher. Do you mean payments for service?

Mr. BRIGHT. Yes; or otherwise.

A. Yes; there were some others I have paid.

Q. State to what class of persons they were paid.—A. There was Mr. John P. Lynch, whom I have been paying for the last six or eight years. His name escaped my recollection when I was giving my testimony yesterday.

Q. What salary was he paid?—A. I think he was paid first at \$6 a day, and afterward \$7 a day and expenses.

Q. What duties did he perform?—A. I do not know.

Q. His name was not upon the pay-roll?—A. No, sir; his name was not upon the pay-roll.

Q. Name any others that you paid upon vouchers in the same way.—A. I have paid some small amounts, occasionally, to a detective in this city by the name of McElfresh.

Q. What is his given name?—A. I do not know; I forget that. He is an old detective here in the city, a partner of Mr. Sargent's, at one time, I believe; at least their names appeared as such in the public prints.

Q. How much did you pay him?—A. To the best of my recollection I suppose about \$400, \$500, or \$600 in all. It was running over a number of years.

Q. Any other person or persons?—A. I do not recall any now.

Q. You say there were wash-women who were paid upon vouchers or upon accounts?—A. Those would be paid for what work they did, not a per diem. They did their work by the piece.

Q. Have you given the full account, in this paper of Mrs. Root, as far as you can discover?—A. I think that statement comprises all the amounts that have been paid to her from the time they commenced until they ended. They appear to have begun in April of one year and ended in June the next year.



Q. I will ask you to state if the time of those who are paid upon the pay-roll is not kept by some person; if a memorandum of their time is not reported to some officer who records it or makes out a pay-roll. Explain the process, please.—A. I understand that to be the universal custom there, of having a time-book in each division and marking down, each day, the service performed; and at the end of the month they count it up like any pay-roll or time-book of a laborer. It is then entered upon the pay-roll, so many days or parts of days for that month, the rates given, and the amounts extended upon the pay-roll.

Q. The pay-rolls are then made out and submitted to you?—A. The pay-rolls are made out, approved, and sent to me for payment.

Q. And upon them you pay?—A. Upon them the payments are made.

Q. I will ask you to state if it is not against the rules of the Bureau of Engraving and Printing to take any work out of the building to be done outside?—A. I would not be informed of any rules that they might adopt, as my connection with the bureau would be simply to pay the expenses of the bureau as they came certified by the head of the bureau.

Q. That was your duty; but I ask you, as a matter of information, whether you are not informed that it is against the rules of the Bureau of Engraving and Printing to take out any work—the counting of money, or the posting of books, for instance?—A. My understanding is that that rule is universal in the Treasury Department.

Q. It applies to all of the divisions?—A. Yes, sir. Whether an exception could be made to the rule by a person in authority would be a matter that I would not be able to decide.

Q. I only ask you as to the rule.—A. That is as I understand the rule—that everything pertaining to the Department must be done in the Department.

Q. I will ask you if you do not know, as a matter of fact, that it is one of the rules that the door-keepers shall prevent any of the employés of the Department from taking out bundles or anything without inspection?—A. I understand that there is an inspection of bundles and everything of the sort by some person in charge. I suppose that that duty is performed by the head of the room in which the party would be employed, and that after he had made an examination he would write his name on the bundle, and that would be a permit to the door-keeper to take that bundle out.

Q. Is it not your understanding that no bundles, except they are something of a private character and not connected with the Department, are permitted to go out?—A. O, yes; that is so.

Q. That precaution is observed in that way. They do not permit anything to go out that belongs to the Department?—A. Nothing at all; that is my understanding.

Q. I will ask you to state if you knew Mr. Root in his life-time; was he not connected with the Department?—A. He was a clerk in the same bureau.

Q. Were you acquainted with him?—A. Yes; I was acquainted with him.

Q. State if you were acquainted with his pecuniary condition at the time of his death?—A. No, sir; I was not.

Q. If he had property, do you know what it was?—A. No, sir; I was not informed as to his pecuniary condition.

Q. Do you remember how much you paid the others, aside from Mr. McElfresh?—A. Mr. Lynch has been regularly employed for six or seven years at the rate of \$6 or \$7 a day and his traveling-expenses.

Q. Now, as to the others; do you remember the amount that you paid to them?—A. No, sir; my recollection is, that from the vouchers it would appear that they were employed temporarily to do some duty, and were perhaps paid a gross sum, or perhaps paid for so many days' service in the month.

By Mr. HARTZELL:

Q. You speak of the memoranda you furnish as only going back to 1870?—A. Yes.

Q. And you stated also that probably there might be similar payments prior to that, but you had not time to look?—A. Yes, sir; that, for instance, Mr. Sargent's service might have commenced prior to April, 1870; but I do not think it commenced a great while before that. I think I have a recollection of the time when he was first employed in the bureau.

By Mr. WILLIAMS:

Q. When did Mr. Root die?—A. I cannot speak positively; I can only infer from the statement I have presented here. My recollection is that when Mr. Root died Mrs. Root was employed, and her payment commenced in April, 1873, for a part of the month. Then the next month, May, there appears to be a whole month's payment, and then the payments are made for whole months until the 30th June, 1874. So I should infer that Mr. Root died some time near the middle of April, 1873.

Q. You mean, then, that Mrs. Root's service commenced at Mr. Root's death?—A. Yes; I think that is the fact. At least that is my recollection.

Q. Is she now a resident of this city?—A. I believe she is; she has been in the city within a month.

Q. Are all the gentlemen you mentioned, whose names are included upon your list of vouchers, at present residents of this city?—A. I cannot tell; two of the people I never saw. I believe Mr. Spofford is not a resident of the city.



Q. Who are those two whom you say you never saw?—A. John Mettle and R. T. Morrell.

Q. How is it with the others?—A. Mr. Lynch is a Boston man.

Q. That is where he resides?—A. That is his home. He was formerly a detective officer in Boston. He is constantly employed in the bureau, but his service does not apparently require his presence here all the time.

Q. Do you know in what capacity he serves?—A. He is a secret agent. Mr. Sargent is an old resident of the city; Mr. Donn is also. Mr. Cavanaugh resides here. I believe Mr. Spofford's home is in Newburyport, Mass.

Q. Do you know in what capacity he acts?—A. No, sir.

By Mr. BRIGHT:

Q. I will ask you if there is not one hand retained in the machine-shop on what is known as the White Lot, upon a salary of \$10 a day; and, if so, what is his name?—A. I cannot answer that question.

Q. Is it because you do not know, or is there any other reason?—A. It is because I do not know.

Q. You do not know in the whole or in part? I can subdivide the question. Do you know whether there is a hand employed in the machine-shop in the White Lot at this time?—A. I understand that there are quite a number of people still employed in the machine-shop.

Q. This is in the White Lot?—A. That is where the machine-shop is. I do not know how to answer the question, except to either answer it no or make an explanation.

Q. You can answer it and then make your explanation.—A. There is a gentleman by the name of Crary, who has been paid as superintendent of machinery, I think; and I think his pay was \$10 a day. He was employed there up to the last time I paid off the bureau. I cannot state it for a fact, though I have understood that almost all those people have had their pay reduced within the last thirty days.

Q. Do you know whether it has been reduced or not, as a fact?—A. No, sir; and I will not know until I see the pay-rolls, when they are made out at the end of the month.

Q. I will ask you if there is not one master-machinist retained there at \$9.50 a day, and an assistant master-machinist retained at \$9.50 a day, and if they were not paid at the last payment?—A. There have been a superintendent of machinery, a master-machinist, and an assistant master-machinist on the rolls for some time. There is always a master-machinist in a shop of that magnitude. The master-machinist has been in the bureau ever since I knew it, and I have disbursed for the bureau since prior to the time it went into the charge of Mr. McCartee, while it was under S. M. Clark.

Q. What salaries were those master-machinists and assistant master-machinists paid up to the last pay-roll?—A. I think the superintendent was paid either \$9 or \$10 a day, I cannot say which, and the master-machinist \$9 and the assistant master-machinist \$9 a day. The superintendent of machinery has not been there so long as the others; he has only been there a year or so.

Q. You do not mean to say that he is not there now?—A. O, no.

Q. Are the shops in operation now?—A. I would not know that except by hearsay.

By Mr. WILLIAMS:

Q. You would know by the pay-rolls, I suppose?—A. I will find out when the pay-roll comes at the end of the month.

By Mr. BRIGHT:

Q. They might not be at work and still have their names on the roll; that is the point I want to get at, as a matter of fact.—A. I do not want to be making suggestions to the committee nor say anything that is not asked.

Q. Just answer the question. I will ask you if there are not two carpenters in the machine-shop who are still there?—A. That I do not know. Now, if I can make a suggestion without offense, I would suggest that the people in charge of that bureau can give that information from the books at once. They know all about it.

Q. As a matter of course they can do so, but we had you here, and it was for that reason I asked you, because you are convenient. Do you know as a matter of fact that the work in the Bureau of Engraving and Printing is suspended at this time?—A. I know that there are but very few people there; there are some people there, but what work they are doing I am not informed, and I very rarely go in the bureau. I have not been in the bureau, except in the lower main office, where the clerks are, to see any of the people there in connection with the pay-rolls and paying the bureau.

Q. Do you not know that the female employes of that Bureau have been discharged?—A. About sixteen hundred or eighteen hundred, both males and females, have been discharged.

Q. There are some others remaining, too, but you do not know what they are doing; is that it?—A. Yes, sir; that is it.

By Mr. WILLIAMS:

Q. Are the vouchers that are presented to you signed by the person to whom you pay the money?—A. Yes, sir; always.

Q. I ask you whether they are signed by the person to whom you pay the money.

The WITNESS. Do I always pay the money to the individual who signs the voucher?

Mr. WILLIAMS. No; let us not confound the two propositions; they are distinct. I want to know this: whether the voucher is signed in all cases by the person to whom you pay the money, or by the person to whom the voucher is payable, or both?—A. All bills for supplies are made out against the bureau, and receipted by the party furnishing the supplies, and the money is paid over to the party in person, or by check drawn to the order of the party furnishing the supplies. In cases of paying salaries to people on the pay-rolls, the presumption is that the money is always paid to the individual who signs the roll, and who performed the labor.

Q. I am only referring to vouchers, and not pay-rolls.—A. Sometimes a voucher signed for services, for instance, will be signed by a party and sent to me by the messenger of the bureau, with the request to take the money up to the bureau for the person, the presumption being that he is there waiting for the money; and the messenger gets the money to save the trouble of the party coming and getting it himself. Now, as I said, here are two people to whom I have been paying money, and whom I never saw. Those vouchers were always brought to me by the messenger from Mr. McCartee's office, with the request that the money might be sent up to the office for those parties. Of course I presumed that they were there, as the vouchers were properly made out and certified.

Q. State who those two parties were.—A. I have stated, I think. They were John Mettle and R. T. Morsell. I think I stated yesterday that I never paid any money to Mrs. Root personally. Those vouchers were always sent down to me from the office.

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WASHINGTON, D. C., *Friday, March 24, 1876.*

THOMAS J. HOBBS recalled and further examined.

The testimony previously given by the witness was read in his presence and signed by him.

By Mr. HOOKER :

Q. How long have you been in the office?—A. I am the disbursing-clerk in the Treasury Department, and it is part of my duties to pay.

Q. How long have you been there, is the question?—A. I have been disbursing, I think, for eleven years.

Q. When was Mr. McCartee placed at the head of the Bureau of Printing and Engraving?—A. I think it was about 1867 or 1868; I should think about 1868.

Q. Who have been his book-keepers during that time—do you know? If so, state them, and the years in which they served.—A. I would not be able to answer the question. I do not know anything of their system of book-keeping, nor how the labor is divided there in the office. I know the names of several gentlemen occupying the position there called book-keeper.

Q. Name them, and the years in which they served.—A. I cannot answer that definitely. Mr. Jewell, the present superintendent of the bureau, was book-keeper shortly after Mr. McCartee came into the bureau for quite a number of years. Then there was a person there by the name of Potter for a short time.

Q. What is the given name of Potter?—A. Fred., I think they called him. He was not a very reputable individual, I thought. He went out. Then there was a man by the name of A. S. Wright, who is now acting as chief clerk of the bureau. And now Mr. Thomas Sullivan is book-keeper.

Q. Who are the assistant book-keepers?—A. I do not know.

Q. Are there any ladies employed in the book-keeping department; and, if so, who are they?—A. I cannot give the names, for I suppose there are a dozen or two—a dozen, at least, and may be more.

Q. In the book-keeping office proper—in the office in which the books are kept?—A. Yes, sir. I think I run over about sixteen or seventeen in my mind now.

Q. You are not able to give their names?—A. Only a few of them. I think there are not quite so many as that since the last discharge—the furlough, as it was called—when the bureau stopped its general operation in February.

Q. Not so many now, since the recent reduction within the last thirty or sixty days, you mean?—A. No; I think there are three or four less in the office now than in the month of January, or before the reduction took place.

Q. Give the names of those you remember serving in the book-keeping department of the Bureau of Printing and Engraving.—A. There is a Miss Nyce, I think a Miss Swift, a Miss Watkins, Miss Taylor, Miss Hallett, Miss McDonald, Mrs. Upperman, Miss Riley, Mrs. Johnson, and several others whose names I do not recall.

Adjourned.

MONDAY, March 27, 1876.

Continuation of examination of THOMAS J. HOBES.

By Mr. HARTZELL:

Question. What is the amount paid Mr. Williams for sizing material furnished?—Answer. I have paid him \$266,562.60.

Q. What was he paid for personal services?—A. Three thousand eight hundred and sixty dollars by me.

Q. Was he paid upon vouchers, and, if so, how were the vouchers drawn, and how approved?—A. He was paid upon vouchers in the ordinary form of a bill: "Bureau of Engraving and Printing, debtor to John M. Williams, for so many gallons of patent chemical water-proofing, at so much a gallon, so many dollars," receipted by him, and approved by the chief of the bureau.

By Mr. WILLIAMS:

Q. During what years and parts of years was this money paid for material?—A. I commenced the payments in August, 1871, and they have continued until the present month of March.

Q. During what years and months was he paid for services?—A. My first payment to him was in June, 1871, and the last in August, 1872.

Q. Do you know whether those services were simply for services, or for services and machinery?—A. My recollection is that they were for services as superintendent of machinery.

Q. Have you a statement showing the cost of the material for each fiscal year?—A. No.

Q. Can you make out such a statement?—A. I will do so. The cost for the fiscal year ending June 30, 1872, was \$18,875.47; fiscal year ending June 30, 1873, \$65,742.40; fiscal year ending June 30, 1874, \$67,897.30; fiscal year ending June 30, 1875, \$61,731.03; for the current fiscal year to date, \$52,216.40.

Q. This statement you take from your book of disbursements?—A. Yes, sir.

Q. What data have you for arriving at the particular purpose for which these several payments were made for this material?—A. Each voucher states what it is for, giving the amount and the rates.

Q. Then you state from your recollection what these vouchers were for, the vouchers, as I understand you, having gone from your possession?—A. Yes, sir.

Q. Is there anything upon your books to show the object of the payment?—A. Yes, sir. My clerk, in making the abstracts of payments on the books, writes what it is for. He uses the word "chemicals," because it is a short word, and answers all the purposes.

By Mr. SAVAGE:

Q. Your books show by the statement of your clerk, in the margin, the amounts which you have given here, to have been expended for this sizing?—A. Yes, sir.

By Mr. WILLIAMS:

Q. You don't mean to say that your books show that exactly, do you?—A. All of the bills paid to Mr. Williams for the water-proofing are entered on my ledgers, and these figures were taken from the ledgers, and they are for sizing.

Q. The question is, what do your books show?—A. My clerk uses the word "chemicals" to indicate this material. Payments to Mr. Williams for anything else would not be included in the statement.

Q. That word "chemicals," as you understand it, covers that particular article, and nothing else?—A. Yes, sir; the term "sizing" is not used in any of the vouchers, it is patent chemical water-proofing.

Q. That, however, is the article that is commonly called sizing? It is generally understood by that name, is it not?—A. I always understood it to be the same. In fact, I am not aware that he furnishes anything else of that nature to the office.

A. This is the only chemical compound, is it not, that this party furnishes to the Department?—A. Yes, sir; so far as my knowledge extends.

Adjourned.

WASHINGTON, D. C., March 29, 1876.

EDWARD BROWN sworn and examined.

By the CHAIRMAN:

Question. What is your name?—Answer. Edward Brown.

Q. Are you now employed in the Treasury building?—A. Yes, sir; in the Printing Bureau.

Q. What do you do there?—A. I drive the wagon for the bureau.

By Mr. HOOKER :

Q. How long have you been engaged in that occupation ?—A. Three years, I think ; perhaps a little more.

Q. Who was the store-keeper of the machine-shop in what is known as the White Lot, south of the Treasury, and how long has he been employed there ?—A. The store-keeper's name is Krouse, but he has not been there, to the best of my knowledge, more than ten days.

Q. Who was the former store-keeper ?—A. Mr. Middleton. I cannot tell you his first name. He was a brother of Middleton the banker, on F street. It may have been more than ten days since Mr. Krouse was appointed, but I do not think it is much over that time since he has been there.

Q. What has become of Middleton ?—A. He resigned.

Q. Had Krouse been previously engaged in the Treasury Department ; and, if so, in what capacity ?—A. He was engaged up-stairs, but I could not tell you in what capacity.

Q. Were not materials for making sizing used in the Bureau of Printing and Engraving in the preparation of fractional currency deposited in that machine-shop ?—A. I could not say. I do not know.

Q. Do you understand what I mean by sizing ?—A. No, sir.

Q. I mean the material which is used in the preparation of the paper money ?—A. No, sir ; I do not know about that. I do not know anything that pertains to money being done there, except the numbering-machines being altered and being down in the shops.

Q. Did you not assist in delivering the materials out of which this sizing is made to one Mr. Steele, who was employed to make the sizing ?—A. No, sir ; not that I know of. I might have done so.

Q. You have replied that you were employed in the capacity of driver of the wagon used in the Department ?—A. Yes, sir.

Q. You do not know what kind of material it is that you do deliver to this machine-shop ?—A. No, sir.

Q. How much material, and what kind of material, was delivered daily by you to Mr. Steele ? State the quantities in barrels or pounds, and if you cannot state the exact amount, state it to the best of your judgment or recollection.—A. I have carried up in the morning to Mr. Steele from five to ten boxes of soap at a time, and from one to two barrels of glue from the store-room to the building.

Q. From this lot or shop which has been referred to as being south of the Treasury ?—A. Yes, sir.

Q. You have carried soap and glue ; did you carry any alum ?—A. Yes, sir.

Q. Did you carry any other material ?—A. No, sir ; I cannot think of any other. Was that the material of which you spoke first to me ?

Q. Yes.—A. I might have answered that if I had known what you meant.

Q. What quantities of that have you been in the habit of delivering daily ?—A. As a general thing, from five boxes of soap to one barrel of glue, and occasionally a barrel of alum. That would be about every day. Sometimes an order would come for ten boxes of soap and two barrels of glue. Alum was very seldom called for. I would take a barrel at a time, maybe twice a week, or something like that.

Q. Do you know whether Colonel Williams had the contract for making this sizing ?—A. Yes, sir.

Q. Do you know Colonel Williams ?—A. Yes, sir ; by sight.

Q. Do you know G. B. McCartee, formerly Superintendent ?—A. Yes, sir.

Q. How are Williams and McCartee related to each other ?—A. I could not tell you.

Q. You do not know whether they are brothers-in-law or not ?—A. No, sir ; I never heard that they were any relation.

Q. Who makes and measures the sizing ?—A. I do not know.

Q. Do you know whether Mr. Steele does that or not ?—A. I do not. I have understood that Mr. Steele was at the head of it up-stairs and had charge of it. He used to very often give me the orders in the morning to get them when he would see me.

Q. Who gave you the orders to get the material ?—A. Mr. Steele.

Q. Then you delivered them to the machine-shops near the Treasury ?—A. I would go there and get them and deliver them at the Treasury.

Q. Do you know whether Charles McCartee, the brother of George B. McCartee, certified as to the amount of the sizing charged to the Government ? Was he not employed in some way about the reception of these things that you carried ?—A. Not that I knew of. My business with him ended when I hauled them up there at the building, and if it was raining it was my business to see that they were taken off the pavement and sent on up the elevator.

Q. You do not know what was paid for this material ?—A. No, sir.

Q. Who has the purchasing and storing of it at the machine-shop ?—A. That I could not tell you. I do not know.

Q. Do you know that more than one person was employed in making up sizing ; if so, who was the person, and was he paid by Williams or by the Government ?—A. I could not tell you that.

Q. Do you know how many pounds of glue there are in a barrel ?—A. They vary.



By the CHAIRMAN:

Q. Is it about the size of a flour-barrel?—A. Yes, sir; just about.

By Mr. HOOKER:

Q. What would be the average?—A. I have seen some barrels marked "134 pounds" and some "138."

Q. How many pounds were there usually in the boxes of soap, and what size were they?—A. The boxes of soap were considered to hold from 45 to 48 and 50 pounds. They varied in size.

Q. What was the amount of alum?—A. The alum weighed very heavy; over 256 pounds to the barrel, or somewhere along there.

Q. All that you know is that you acted as porter in driving the wagon and carrying these things from that point?—A. Yes, sir.

Q. And you know the number of pounds of the various materials used in this sizing to be as you have stated them?—A. Yes, sir. Of course I could not give you an exact answer on that point, for I really do not know. Mr. Reilly would know what they all weighed. He was assistant store-keeper in the store-room.

By Mr. SAVAGE:

Q. Did I understand you that you went somewhere and got these things, and delivered them at the machine-shop on the White Lot?—A. I used to at one time deliver all the freight there was delivered from the steamships from New York at Georgetown. I used to deliver from there to the machine-shop; but after they got hauling for the bank-note company here my time was taken up so much with that that I could not have time to do the hauling, and since then I have done but very little of that hauling.

Q. The hauling that you do now is chiefly between this machine-shop and the Treasury building, is it?—A. Yes, sir.

Q. Is this material that you speak of hauled from the machine-shop to the Treasury building in a condition of glue, soap, and alum separate, or is it combined?—A. No, sir; the alum and the glue and the soap are each separate.

Q. You haul it in that condition to the Treasury Department?—A. Yes, sir.

Q. It is manufactured and combined there into what is called sizing?—A. Yes, sir.

Q. Do you know anything about the manufacturing of it?—A. No, sir.

Q. How long have you been acquainted with this man Krouse?—A. I have been acquainted with him, I suppose, since I first saw him in the building—about a year or so.

Q. Where was he when you first saw him in the building?—A. Up-stairs.

Q. In what was called McCartee's division?—A. Yes, sir.

Q. Had he not been there for eight or ten years?—A. He may have been.

Q. How long have you been working for this Department?—A. Something over three years.

Q. You do not recollect of seeing Krouse there until within the last year?—A. No, sir; I never had much business up-stairs. My business, as I say, was to haul, and then to handle and deliver, and after that my business was done. The rest of the men generally took it up-stairs and delivered whatever I had.

Q. Since the time you have known him he has been working in McCartee's division?—A. Yes, sir; he has been there to my knowledge. I have not known him to be anywhere else.

Q. And when Middleton resigned this gentleman was appointed in his place?—A. He came down there and took charge of the store-room. He was there when I came away.

By Mr. HOOKER:

Q. State as nearly as you can how long it has been since Middleton resigned and Krouse was appointed.—A. I really cannot say. I think it was about ten days. It may have been more.

Q. Was it some time within a month?—A. It might have been the first of this month.

Q. Was it after or before Mr. McCartee resigned his position?—A. Mr. Middleton was there since Mr. McCartee resigned. There was an overhauling of some books and papers and things there, and Mr. Middleton was there all that time. Shortly after they got through with that Mr. Middleton resigned.

By Mr. SAVAGE:

Q. Who was it who was overhauling books?—A. It was Mr. McCeeny.

Q. He was overhauling the books in the machine-shop?—A. Yes, sir; before he came, a couple of days, there was a person they called the doctor, up-stairs. He was down there, I think, two days, for I helped to overhaul them; and he went away and McCeeny came.

Q. The doctor was there overhauling books two days before McCeeny came?—A. Yes, sir.

Q. Middleton was there, then, all the time?—A. Yes, sir; they went through the books they had stored away in the boxes.

Q. Were those account-books?—A. Yes, sir; different kinds of books and papers.

Q. They were books of accounts of the machine-shop and the doings there?—A. No, sir, they did not appertain to the machine-shop.

Q. What did they appertain to?—A. To some parts of the building.

Q. Brought down from the Treasury Department?—A. Yes, sir; and stowed away.

Q. And after the examination of them was concluded Mr. Middleton resigned?—A. Yes, sir.

Adjourned.

WASHINGTON, D. C., April 1, 1876.

JOHN O'RILEY sworn.

By the CHAIRMAN:

Question. Where do you reside?—Answer. No. 2 Covington street.

Q. Are you employed in the Treasury Department?—A. Yes, sir.

Q. In what capacity?—A. As assistant storekeeper. My duties are in the main Treasury building and in the White-lot storehouse.

Q. Do you receive goods for all the Departments, or only for the Printing and Engraving Bureau?—A. Only the Printing and Engraving Bureau.

Q. Do you know where the sizing for note-paper is made?—A. It is done, sir, in one portion of the dry-room, in the main Treasury building.

Q. Where are the materials first received?—A. Principally in the White lot, but not all.

Q. What kind of materials are received?—A. Castile soap, glue, and alum.

Q. About what quantities are received each day?—A. Some days five boxes soap and two barrels glue, and some days ten boxes soap and three barrels glue.

Q. About what quantity of alum is used?—A. About a barrel a month.

Q. Do you know about how much sizing is used?—A. I do not.

Q. What other material is used?—A. I do not know, except two boxes of some other material were received about two years ago.

Q. How many years have you occupied your present position?—A. About four years.

Q. Who is the principal storekeeper?—A. Mr. Nooley, J. W.

Q. He was there when you went there four years ago. Who are the persons who have acted as storekeepers since you have been there?—A. Mr. Nooley, Dr. Barey, Mr. George Allen, and W. A. Middleton, the present storekeeper.

Q. Do you know their residences?—A. Mr. Nooley lives on N street, near Vermont avenue; Mr. Middleton lives on New York avenue, near Ninth; I do not know where the others reside.

By Judge BRIGHT:

Q. How many pounds in these barrels of glue?—A. From 120 to 140 pounds.

Q. How many pounds in these boxes of soap?—A. From 32 to 44 pounds. I did not weigh them, but they were marked that amount, and I suppose they would weigh that amount from the handling of them.

Q. How many pounds in the barrel of alum?—A. They will average from 275 to 280 pounds.

Q. Where did those small boxes come from?—A. I think they came from New York, but am not certain.

Q. Do you know what house in New York they came from?—A. I do not.

Q. How many pounds would each of these boxes weigh?—A. I suppose about 50 pounds.

Q. About what were the dimensions of these boxes?—A. I suppose they were about two feet long, one foot wide, and one foot deep.

Q. Did you deliver these boxes of soap, glue, &c., every day?—A. Yes, sir; pretty much every day.

Q. Do you know anything about the costs of these; have you ever seen the bills?—A. I do not know. I have seen the bills, but I do not remember the amount.

Q. Were the bills presented, or kept in the store-room of the White lot?—A. I do not think these were kept in the store-room.

By Mr. HOOKER:

Q. Were there any bills delivered to you as to the value of the goods?—A. No, sir; there were freight bills delivered there.

Q. Were these bills only freight bills?—A. Yes, sir.

By Mr. WILSON:

Q. Are you still employed in the Treasury Department?—A. I was suspended about two months ago, with other employés, when the bureau suspended operations.

Testimony concluded.



WASHINGTON, D. C., May 16, 1876.

JOHN M. WILLIAMS sworn and examined.

By Mr. HARTZELL:

Question. Where is your residence?—Answer. Salem, Washington County, N. Y.

Q. Are you the owner of the patents issued to Robert O. Lowry for a process or processes for water-proofing paper, &c.?—A. I control the patents; I do not own the whole of them; I own the controlling interest in them; one-half the patents have been assigned to me, and the whole of the patents were placed under my control some years ago, to do with as I saw fit. Mr. Lowry died some time ago.

Q. Under which of these patents assigned to you were the legal-tender notes and the fractional currency, treated or finished in the Bureau of Engraving and Printing of the Treasury Department?—A. The fractional currency was finished under the patents referring to the water-proofing of paper. I cannot, without looking through the papers, (and I am not sure that they are all here,) give the particulars.

Q. Could you tell by looking through, whether all the papers are here?—A. I could not, sir. There may be other patents besides those; it is so long since I have looked at them or taken any cognizance of the patents themselves that I could not answer that question fully.

Q. We would like to know the patent covering the process, the ingredients under and out of which this work was done?—A. The process that was in use in the Bureau of Engraving and Printing was not strictly under this patent of Lowry's; there were modifications of the process which took it out of the line of the patents to some extent. The process was changed. Ingredients were added for particular purposes. These patents were issued for water-proofing paper in various ways, but without the particular expectation of applying the process to that particular use. The patents were issued for making water-proof paper for any use, and this particular application of it was a secondary question, and came up afterwards. I personally modified the process, and changed it so that it would not be working under these patents for a person to apply the process as I did. If I saw fit I could have a patent which would cover the particular process I speak of.

By Mr. WILLIAMS:

Q. I understand you to say that there is no patent upon the process used?—A. It is based upon these patents, but modified and adapted to that particular use.

By Mr. HARTZELL:

Q. Do we understand you to say, then, that the modification made by you for adapting it to this particular use was such that the process you used would not be an infringement upon any of these patents, in your opinion, and that a new patent might be obtained for that process?—A. That is my opinion, sir. I used my best judgment and experience to make the thing as perfect as possible, and I modified it without regard to anything else, and merely to effect the purpose that we had in view.

Q. State what materials have been used in treating and finishing the legal-tender notes and fractional currency, and the proportion of each material, and how applied, as near as you can.

The WITNESS. Do you wish me to state the portion of this process that I consider secret?

Mr. HARTZELL. We should like to know the process that is used in the Department; that is not secret, I suppose.

A. That is undoubtedly secret. I am the only one that makes it as used there. I prepare and furnish those materials to them, and they pay me for them. They do not know anything about them, nor does any one else.

Q. The process was submitted to experts, was it not?—A. Some of the experts do know; I will qualify my answer by saying that some experts do know all the material used. I think two experts and myself are the only parties that know the materials that are used. To some of the experts I offered to tell the materials, but they refused to be told, and said they did not care to know the secret, that they would rather base their opinion on the results and experiments; but the people in the Department do not know the secret. If you wish me to give you those ingredients I am willing to do it privately, but I am not willing that it should be spread upon record. [On reflection the witness states his willingness to answer the question.]

Q. State what materials have been used in treating and finishing the legal-tender notes and fractional currency, and the proportions of each material, and how applied, as near as you can.—A. It was on fractional currency and bonds that the process was employed, not on legal-tender notes. The materials used were glue, soap, white wax, paraffine, alum, and salt. The proportions for a tank holding thirty-six gallons, (which would cover three or four thousand sheets,) were about nineteen to twenty pounds of glue, sixteen to eighteen pounds of soap, and about four to six pounds of a mixture of soap, white wax, and paraffine, and a sufficient quantity of salt and alum to precipitate the other ingredients. The application is made by submitting the sheets in the first place to a strong solution of soap, glue, wax, and paraffine, drying them, then submitting them to a solution of salt and alum to produce the chemical change of the first material after it has become incorporated into the fibers of the paper, then passing them through a bath of fresh water and drying them.

By Mr. WILLIAMS :

Q. Is the soap a soap of any peculiar quality?—A. The soap used is the best quality of Italian castile soap; the glue is expressly made for the purpose, it is a white ("blanche") glue. It is necessary, of course, that the ingredients shall be as clean and transparent as possible, in order not to mar the printed work on the notes, exactly like varnish on a map. In varnishing a map you have to be very careful not to blur the lines by having any specks or any imperfections in the varnish. Otherwise common grades could be used which would have the same chemical effect, but would mar the paper and injure it. I desire to say here that I make this disclosure as to the composition and process used in this work, feeling that I ought to answer the questions of the committee, yet holding that I have a private and personal right of ownership in the composition and process which entitle me to have this disclosure treated as confidential.

Q. Tell whether the paper on which the bonds and fractional currency were printed were water-proof or partially so when the printing was done?—A. This whole application was made after the printing was completed.

Q. Then this water-proofing was done to protect the paper and the impressions made upon it?—A. Yes.

Q. Is this water-proofing process, which is described by you as the water-proofing process used in the printing of the bonds and fractional currency, actually water-proof?—A. The term "water-proof" is a relative term. It is extremely water-repellent, and it renders the paper, so far as I have been able to ascertain by experiment, indestructible by water. What I mean by that is this: Of course, India rubber is perfectly water-proof. You can prepare cloth by a solution of India rubber or by a solution of salt and alum alone, or by a solution of dextrine, or by a solution of paraffine, and in various other ways can give a water-repellent quality to the fibers of that cloth so that the water runs off from it as though it were grease. Such fabrics are all called "water-proof." India rubber is water-proof, and still there are preparations of India-rubber cloth that are called totally water-proof, but that are not so. In the course of time such cloth will become so saturated, by soaking and rubbing, that the water goes through it. So it is with this paper; you can put it in water and rub it a good deal and it will in time become saturated with water, but the fibers of the paper do not become disintegrated by the action of the water on it, as is the case with a non-sized piece of paper. If I prepare some of this paper with this composition that I use, I can fold it up into the form of a bag, fill it with water, and hang it up for weeks and months, and when it is taken down it will be as good as when it was put up. The chemical action of these ingredients on each other is in fact the process that is effected in tanning a hide of leather. The paper is impregnated, in the first place, by this gelatinous compound, which is the same as the gelatine that is contained in the raw hide, and then it is acted on by the salt and alum, which take the place of the tannic acid found in oak bark. The chemical action is precisely the same in each case. It makes a partial leather of the paper. That is the principle. There are other ingredients added for other purposes, such as to make a better surface, give it more pliability, &c., but as far as the water-proof qualities of the paper are concerned they depend chiefly upon the reaction of the salt and alum with the gelatine. Of course all these matters are relative. I could put enough of that stuff into a bill to make the bill stiff and rigid; the water would not touch it at all, but in that case it would be too stiff for practical purposes, and would crack and break on being folded.

Q. Is this water-proofing a protection also to the inks used in printing the bonds and fractional currency?—A. It forms a protective coating, and assists in the retention of the inks. It is a protection against abrasion and the wear that they receive from hard usage. In the nature of things it must be a protective.

By Mr. WILLIAMS :

Q. What is the effect of it upon the ink in folding and bending the paper, after it has been through this process; does it not have a tendency to scale it off?—A. Not the ink, sir. If the composition were put on sufficiently thick over the surface of the paper, it would scale off itself, but I do not think it would have any effect in taking the ink off.

Q. If this paper, after being water-sized, is bent or folded together closely, does it not have a greater tendency to break the fibers of the paper than before?—A. Not in the way in which this paper is prepared. There is not a sufficient quantity put in the paper to give it that brittle tendency that I presume you have reference to. Of course, you could put on too much; that is, you could make it too thick and heavy, so that the paper might be brittle.

By Mr. HARTZELL :

Q. When did you commence using this water-proof and the materials referred to, in finishing the bonds and currency?—A. I think the work was commenced in 1871 on the bonds, if I remember right, but my memory is very poor in regard to dates. I am not sure as to the date when it was applied to the fractional currency, but it must have been in the next year after that.

Q. How long have you continued this process?—A. It was in use on fractional currency when the presses were stopped at the Bureau of Engraving and Printing in February or March last.

By Mr. WILLIAMS:

Q. Do they still continue to use this process on bonds?—A. There is very little bond-work being done; occasionally they use it on bonds, I think. It was used on the five per cent. bonds, I think, in 1871. There was a large amount of bond-work to be done then, and the sheets were very large—some of them of tremendous size; and, in order to save expense, it was thought advisable to apply a surface-printed seal instead of a plate-printed seal; and some device was thought necessary to protect the surface-printed seal and ink, and this thing came up in that way as a protection to that ink, and also to strengthen the fiber; besides which, it very materially reduced the expense of printing. Afterward the surface-seal was applied to the fractional currency instead of the plate-printed seal, and this adaptation made to those notes produced a reduction, I believe, in the cost of printing fractional currency, as compared with the plate-process, of something like \$8 a thousand sheets. I am under the impression that that is what they told me was the amount saved by the use of the surface-printed seal, in connection with the application of the water-proofing.

Q. The seal was put on before the water-proofing?—A. Yes, sir.

Q. Why does the water-proofing process enable them to use the surface-seal instead of the plate-seal?—A. The surface-printed work is an impression made from raised type or raised engraving; in other words, a cameo; *plate-work* is sunken or *intaglio*. In the first case, the surface of the type takes the ink and simply deposits it upon the paper; in the other the ink is rubbed into the plate, and leaves a body of ink on the paper. When they use the surface-ink it is more easily abraded, unless protected by some process like this of water-proofing.

Q. Then I understand you to say that the water-proofing process serves to protect the ink of the surface-printing?—A. Yes; it enabled them to use steam-presses to put on the surface-impression, by which they were enabled to do it very rapidly, in place of the hand-labor used to put on the plate-impression, and this hand-labor is very expensive.

Q. The Secretary of the Treasury, in his response to the inquiries propounded by the committee, states that the cost of plate-seals on fractional currency per one thousand impressions is \$16.75, and the cost of surface-seals on the same per one thousand impressions is \$4.31. Do you claim that that difference is caused by the water-proofing process?—A. The water-proofing process, I imagine, does not come into that estimate at all. That is the relation that the actual surface-printing bears to the plate impression.

Q. Do you claim that without the water-proofing process the surface-seals could not be used?—A. They could be used, but the ink would be very readily abraded and washed away from the surface of the paper.

By Mr. HARTZELL:

Q. How many gallons of this water-proofing material were used daily and weekly in finishing bonds and currency?—A. I never kept any strict account. I do not know what would be the daily and weekly amount. It would depend upon the amount of work, and the amount required to do a certain amount of work. It varied, therefore, very much. In certain conditions of the weather it would foam up, and you would have to use a great deal more than at other times. It varied also with the printing. Sometimes there is a little washing off of ink. Take a newly-printed bill, that has not been subjected to the water-proofing process, and pass your hand over it, and your hand will become all black or red, as the case may be, depending upon the color of the ink. Some of that color washes off into the bath and discolors it, and of course the bath cannot be used after the discoloration, especially if that becomes so great as to be liable to tint the paper at all. The amount of discoloration varies somewhat, and therefore sometimes more material is used than at others.

Q. What was the price allowed per gallon for the material, do you know?—A. The price was regulated by the thousand sheets. I was allowed seven and one-half gallons, at sixty cents per gallon, for a thousand sheets, but I had to furnish a sufficiency to do that work, and it very seldom ran less than nine gallons for a thousand sheets, and I have known it to run up to as many as fourteen for that number of sheets.

Q. What were the annual receipts for the use of these patents and materials furnished under the same for treating and finishing the bonds and fractional currency?—A. There was no payment made for the use of the patents.

Q. But there was for the material?—A. There was for the material. I have never figured it up, however. The books of the Treasury Department or the bureau would, of course, show the amounts paid. The material was furnished under my personal supervision and selection. I bought and mixed it myself and handed it to them all ready to put on the paper. Of course I was not permitted to handle their printed notes. I furnished the material all ready for them. The first preparation had to be applied hot.

Q. To whom was the money paid for these materials?—A. Paid by the bureau to me.

Q. You state, then, that the materials were furnished by you, and that you were paid for the materials furnished, and not for the use of those materials under the patents?—A. I was

paid so much per gallon for the material, and nothing else; I received no royalty on the patents.

Mr. WILLIAMS. You mean to be understood, of course, that you received more than the mere cost of the material?—A. Certainly; if I had not I should not have done business a great while.

Mr. HARTZELL. You furnished the materials, then, and were paid for them, but not for anything else?—A. Of course those materials were furnished to be used under that process.

Q. They were printed under that process, but you did not charge anything for that?—A. No, sir; I did not charge anything or receive anything for that.

WASHINGTON, D. C., May 16, 1876—3 p. m.

JOHN M. WILLIAMS' examination resumed.

By Mr. HARTZELL:

Question. How many persons were employed in and about the application of this water-proofing process?—Answer. That I could not answer, because it was not under my supervision. I never kept any account of it.

Q. Were any of them paid by you?—A. None of them were paid by me in the application of the process.

Q. It was only those persons who were engaged in the preparation of the material who were paid by you, and as I understand that was done outside?—A. I prepared the material, and handed it over to the Government for its application, and there my responsibility ceased. All the handling of the money in the application of this water-proofing was done by the Government employes, and not by my people at all.

Q. Did you make the preparation ready to be applied to this paper, or did you merely furnish the material, and let the Government prepare it?—A. I prepared it all ready, and delivered it to them hot.

By Mr. WILLIAMS:

Q. In tanks?—A. No; in buckets. It was taken out of tanks and delivered in buckets as they required it, and in such quantities as they required it.

By Mr. HARTZELL:

Q. Where was this material made?—A. In a room adjoining the room in which its application was made to the paper.

Q. In the Treasury building?—A. Yes; it had to be done there, because it had to be hot.

Q. How many persons had you in your employment in the preparation of the material?—A. Never more than two.

Q. And those two under your employ you paid yourself?—A. Yes, sir.

Q. Did you have a contract with the bureau, or the Chief of the Bureau of Engraving and Printing, or any officer thereof, for the use of this water-proofing?—A. I think I have the letters from the chief asking what I offered it for. To these I wrote letters in reply, stating the facts. I do not know what would be construed into a contract. I have not any papers formally drawn up and signed by the parties. There was correspondence between the chief of the bureau and myself in regard to it, stating the price.

Q. Then there was no written contract?—A. No more than that.

Q. No more than those letters that passed between you and the chief?—A. That is all.

Q. Give the name of the chief of the bureau with whom you had this correspondence.—A. George B. McCartee.

Q. Have you got those letters?—A. I do not know whether I have my own letters or not. I very rarely keep copies of my letters; but undoubtedly my letters to the bureau would be on file, and it is possible that I may have preserved copies of my own letters; but I cannot say with certainty.

Q. State the terms of the contract, and the name of the party with whom the contract was made if you can.—A. I have given the terms already, that is, that I was to receive pay at the rate of 60 cents per gallon for  $7\frac{1}{2}$  gallons per 1,000 sheets, and the contract was made with George B. McCartee.

Q. Who were interested with you in this contract?—A. Nobody.

Q. State if you know what amount of bonds or fractional currency was treated or finished by this process.—A. I could not tell you; I have not the data; it was a very large amount, however.

Q. Were all the bonds and fractional currency treated and finished by your water-proofing process from the time it was first adopted?—A. All the bonds from the commencement of the issue of the 5 per cent. bonds in, I think, 1871. I think the first time it was used upon fractional currency was on a new issue of fifty-cent notes. After that time, as new issues were made, all the fractional currency was treated with it; but it was not put on the old ones, because the old ones were printed with the plate-seal.



Q. Do you know when that was?—A. It varied with the different denominations.

Q. When was this process first used on the fractional currency?—A. It was some time after the first issue of these 5 per cent. bonds; I think the next year, perhaps.

By Mr. WILLIAMS:

Q. Was it not commenced as early as 1869?—A. No, sir; I think not before 1871.

Q. Was it not authorized on what is called the "consols" of 1868?—A. It was commenced on that new issue of bonds that were sent abroad. There was an issue of 5 per cent., and I believe  $4\frac{1}{2}$  and 4 per cent. and so on. I am quite sure, sir, that it could not have been so early as 1868; possibly it may have been in 1870, but not before that. My idea was, that the first work was done in 1871, although I will not be positive.

Q. All the bonds from the first issue of those 5 per cent. bonds in 1871, up to the present time, have been water-proofed by this composition of yours?—A. Yes, sir.

Q. And all the new issue of fractional currency from 1872?—A. From 1872 or thereabouts.

Q. Was any part of the compensation paid you for this water-proofing process and materials paid to any officer or agent of the Bureau of Engraving and Printing?—A. No, sir; to no one, in any way, directly or indirectly, past, present, or prospective, nor to anybody for anybody else in any way, shape, or manner that could be devised. All the profits that were made in that matter came to me, for myself, and were used by me. No one was approached or solicited in any way to favor the thing by any promise of pecuniary consideration or any other argument except the merits of the thing itself.

Q. Who had charge of, and did the water-proofing in the Bureau of Engraving and Printing?—A. I had charge of and furnished the material. The labor was done by employes of the bureau.

Q. Did you superintend it?—A. I did, sir.

Q. Who has charge of the same now?—A. It is not now in operation.

Q. Who had charge of it when it was last in operation, at the time the work was suspended in the bureau?—A. It stood in the same way. I did not give it my personal supervision all the time, because I was not here all the time, but it was under my charge and direction. I furnished the supplies, and had them mixed, and handed the mixture then over to persons employed in the bureau who had charge of it. Their application of it, you understand, was not in my charge at all. All I had to do was to deliver the material.

Q. The question was, who had charge of, and did the water-proofing in the Bureau of Engraving and Printing; that is, who made the application of the thing to the paper?—A. The employes in the bureau; the superintendent of that division, I presume, had charge of it; I do not remember his name now.

Q. Who was the responsible party there? It must have been Mr. McCartee, was it not?—A. Certainly, he had charge of the whole of it.

Q. I believe you have already stated that Mr. Lowry, the patentee, is dead?—A. Yes, sir.

Q. Where did he reside in his life-time?—A. At the time of the procurement of the patents he was residing at Salem.

Q. Did you obtain your interest before or after his death?—A. Before his death, sir.

Q. Did you purchase direct from him?—A. The experiments in getting up these patents were conducted for, as I remember, about three years. The expenses were all paid by me, and half the patents were assigned to me at the time, or soon after their issue. Afterward he gave me the full control of the thing, to do with it as I saw fit.

Q. You say you owned only one-half of the patents under the assignment?—A. Under the assignment.

Q. But you say that this process is outside of the patents?—A. Yes, sir.

Q. Who owns the other half of these patents?—A. It belongs to Mr. Lowry's representatives, except so far as it has been handed over to me.

By Mr. WILLIAMS:

Q. I understood you to say that you do not account to the patentee or any other person for any part of the proceeds of the work in the engraving and printing bureau?—A. No, sir; not now. When the operation was first started it was conducted under these patents; I paid the patentee certain moneys; he was sick and at the South, and put the whole thing in my charge, and said I could send him some money, which I did. He agreed, as soon as he was well enough, to hand the whole thing over to me, which, however, he never did. After his death there were modifications made in the application, such as took it from under the working of the patents. I considered myself bound, in the formulæ that I used in working under these patents, to pay Mr. Lowry for what I considered his interest in the thing when I first commenced to use them. Afterward, as I have told you, I changed the formulæ, adding the materials that I have stated to you, and which are combined in a peculiar manner, and which take the process from under the jurisdiction of the patents.

By Mr. HARTZELL:

Q. You have ceased paying?—A. I have ceased paying.

By Mr. WILLIAMS:

Q. In the making of this contract with Mr. McCartee was Mr. Lowry consulted?—A. No.

sir, not at all; the whole thing had been given to me by Mr. Lowry before that, to do with as I pleased. He said, "Take those papers, and do with them what you have a mind to. If you can make anything out of them, and can afford to give me anything, do so. I will let the whole thing be in your hands." It was a slack piece of business on my part not to have got the assignment from him of the whole thing, but I did not do so. However, that is a matter between Mr. Lowry and myself, about which I suppose this committee cares nothing.

By Mr. HARTZELL:

Q. When was it that you obtained this half-interest in these patents from Mr. Lowry?—A. The half-interest belonged to me from the procurement of the patents. Mr. Lowry did the principal part of the experiments, I being engaged in other matters, but assisting him in making suggestions, and so forth, and I paid all the expenses of the procurement of the patents, with the understanding that one-half was mine and one-half his; but he probably would be considered the original inventor, as the patents were taken out in his name.

Q. About when was it that Mr. Lowry died?—A. Mr. Lowry died in 1872, I think, or the spring of 1873.

Q. Did you obtain from him a written assignment of one-half?—A. Yes.

Q. When was that?—A. Very soon after the patents were issued—as soon as they were in proper shape. I think there was a re-issue, or some change made in the first papers, and as soon as the papers were perfected in the Patent-Office, the assignment was made.

By Mr. WILLIAMS:

Q. What relationship exists between you and Mr. McCartee, if any?—A. We have known each other, and have been friends all our lives, and I know too much of Mr. McCartee to attempt to approach him in any improper way. I know that that would not only not effect my object, but would put an effectual damper on any negotiations. His uncle married my father's sister.

Q. Is there any other matter or thing in regard to this water-proofing process that you desire to state to the committee?—A. No, sir. The matter was perfectly straightforward and correct, so far as I know.

Q. Are you able to compute the expense per one thousand sheets of the material furnished by you, and, if so, about what was it?—A. I estimate the expense at about \$3.25 per thousand sheets.

By Mr. HARTZELL:

Q. There being  $7\frac{1}{2}$  gallons of material allowed to each thousand?—A. Yes.

By Mr. WILLIAMS:

Q. You have made an estimate by which you arrive at this?—A. I have made an estimate which I have figured up in my head. I have kept no data—no positive figures, but I think that that is very nearly correct.

Q. Does that estimate include compensation for your labor?—A. No, sir; I do not think that I have allowed anything for my labor in that estimate. It is a difficult thing to get at, however, because I kept no account, and I have to judge by the quantities as best I can. It varied very much from time to time. It depended upon the way the women manipulated the sheets. I do not suppose there was an eighth part of the material that was actually absorbed by the paper; most of it became waste, and became discolored, and had to be thrown away. It becomes worthless the moment it becomes discolored.

Q. The material itself becomes discolored in the process?—A. Yes.